



ASAHI

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Financial Results of the 3rd Quarter for Fiscal Year ending June 2018

May 15, 2018

**(Securities code: 7747 Second Section of the Tokyo Stock Exchange,
Second Section of the Nagoya Stock Exchange)**



FYE June 2018 Q3 YTD Main Points-1

Net Sales 38,362 Mil. Yen <Year-on-year +21.5%>

~ Strong performance, especially in Medical Division ~

- **Medical Division ~ Sales increased greatly not only due to strong end user demand but also due to special demand mainly in foreign markets**
 - ◆ **Good progress in both cardiovascular and non-cardiovascular segments in Japanese and overseas markets**
 - Positive progress of PTCA GW based on SION Series
 - Non-con type “NC Kamui” led to expansion of market share in PTCA Balloon Catheters
 - Good progress of multi-lumen type “SASUKE” in Penetration Catheter
 - Increased all peripheral vascular, abdominal vascular, and neurovascular products in non-cardiovascular segment.
 - ◆ **Positive progress of PTCA GW and Penetration Catheter in cardiovascular segments in all areas**
 - In addition to increase in end user demand, there was an increase due to special demand
 - Positive impacts of the exchange rate contributed to sales performance (+1,035 Mil. Yen)
- **Device Division ~Despite decrease in performance of Medical Components business, slight increase for Device Division due to good progress of Industrial Components business in overseas markets**
 - ◆ **Decrease in catheter components for peripheral treatment and components for cardiovascular examination in the US in Medical Components business**
 - ◆ **Increase in components for US leisure market in Industrial Components business**

Japan

Overseas



FYE June 2018 Q3 YTD Main Points-2

Although R&D expenses and sales related expenses increased, positive sales growth and rising gross profit rate contributed to large profit performance

- Gross profit 26,803 Mil. Yen < YoY **+25.8%** >
 - Sales increases and rising gross profit ratio due to strong orders and improved productivity, etc.
- Operating income 12,307 Mil. Yen < YoY **+30.5%** >
 - Increase of R&D expenses (3,524 Mil. Yen) (YoY +539 Mil. Yen, Sales ratio 9.2%)
 - Increase of expenses to strengthen sales and marketing activities in overseas markets
- Ordinary income 12,240 Mil. Yen < YoY **+26.9%** >
 - Decrease of currency exchange gain and Increase of currency exchange loss (YoY -327 Mil. Yen)
- Net income attributable to parent company shareholders 9,054 Mil. Yen < YoY **+37.7%** >
 - Decrease of loss on revaluation of investments in securities (-147 Mil. Yen)

Exchange rate (Unit: JPY)	US \$	BAHT	EURO	CNY
FYE June 2018 Q3 YTD	110.83	3.40	132.16	16.92
FYE June 2017 Q3 YTD	108.31	3.09	117.64	15.95



Highlights

	FYE June 2017 Q3 YTD		FYE June 2018 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	YoY	
					Changes (Mil. Yen)	Changes (%)
Net sales	31,579	100.0	38,362	100.0	+6,783	+21.5
Gross profit	21,298	67.4	26,803	69.9	+5,505	+25.8
Operating income	9,434	29.9	12,307	32.1	+2,873	+30.5
Ordinary income	9,647	30.6	12,240	31.9	+2,593	+26.9
Net income attributable to parent company shareholders	6,573	20.8	9,054	23.6	+2,480	+37.7
EPS *	51.83 yen	-	70.12 yen	-	+18.29 yen	+35.3

* : As of Jan. 1st, 2018, a 2-for-1 stock was implemented. As such, for EPS, figures after the share splits are shown in assuming splits of shares at the beginning of previous fiscal year.



Net Sales by Segment Division

	FYE June 2017 Q3 YTD		FYE June 2018 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	25,148	79.6	31,866	83.1	+6,718	+26.7
Device	6,430	20.4	6,495	16.9	+64	+1.0
Total amount	31,579	100.0	38,362	100.0	+6,783	+21.5

(Reference)

Medical field	27,523	87.2	34,164	89.1	+6,640	+24.1
Industrial field	4,056	12.8	4,198	10.9	+142	+3.5



Operating Income by Segment Division

	FYE June 2017 Q3 YTD		FYE June 2018 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Changes (%)
Medical	8,808	80.9	11,620	82.0	+2,812	+31.9
Device	2,075	19.1	2,559	18.0	+483	+23.3
Subtotal	10,884	100.0	14,180	100.0	+3,295	+30.3
Erasing & Head Quarters	-1,450	-	-1,872	-	-422	+29.2
Total amount	9,434	-	12,307	-	+2,873	+30.5

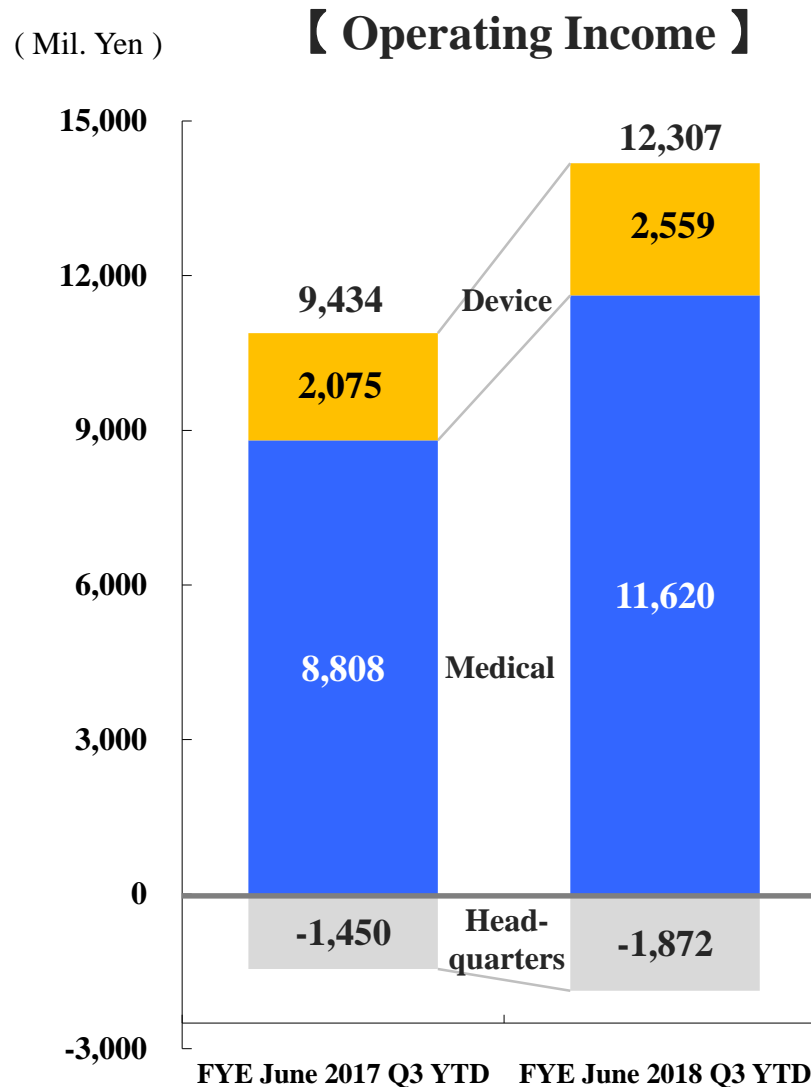
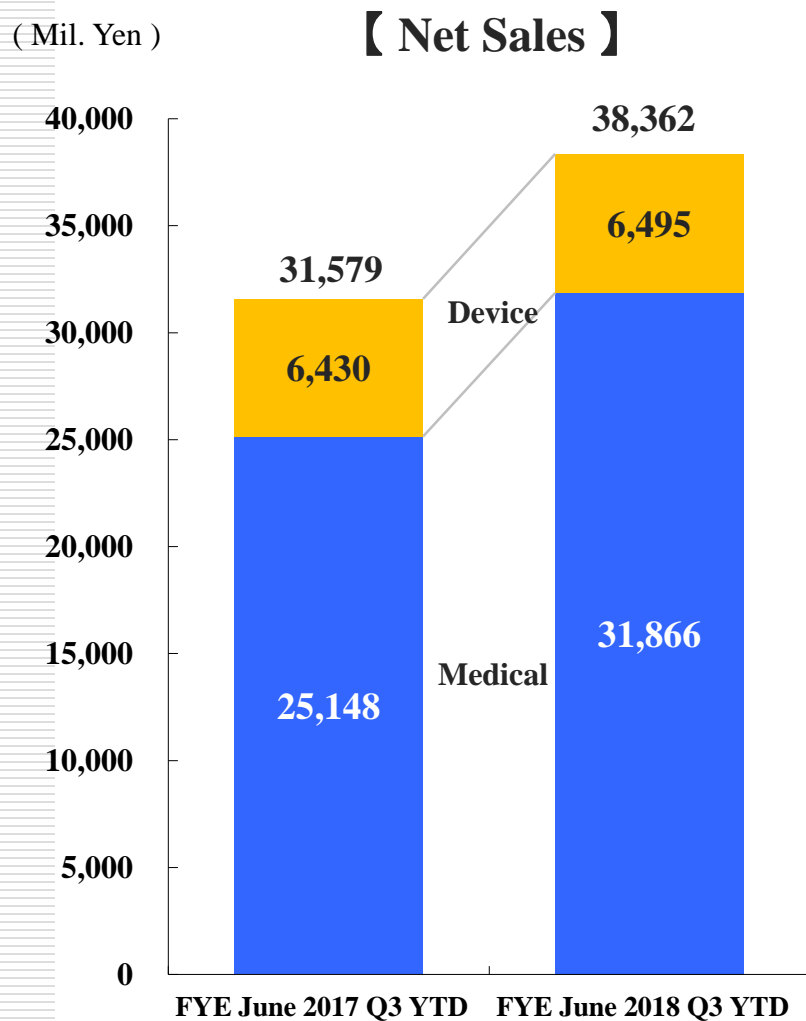
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(Reference) Device Division Segment Sales	1,765	-	2,645	-	+879	+49.8
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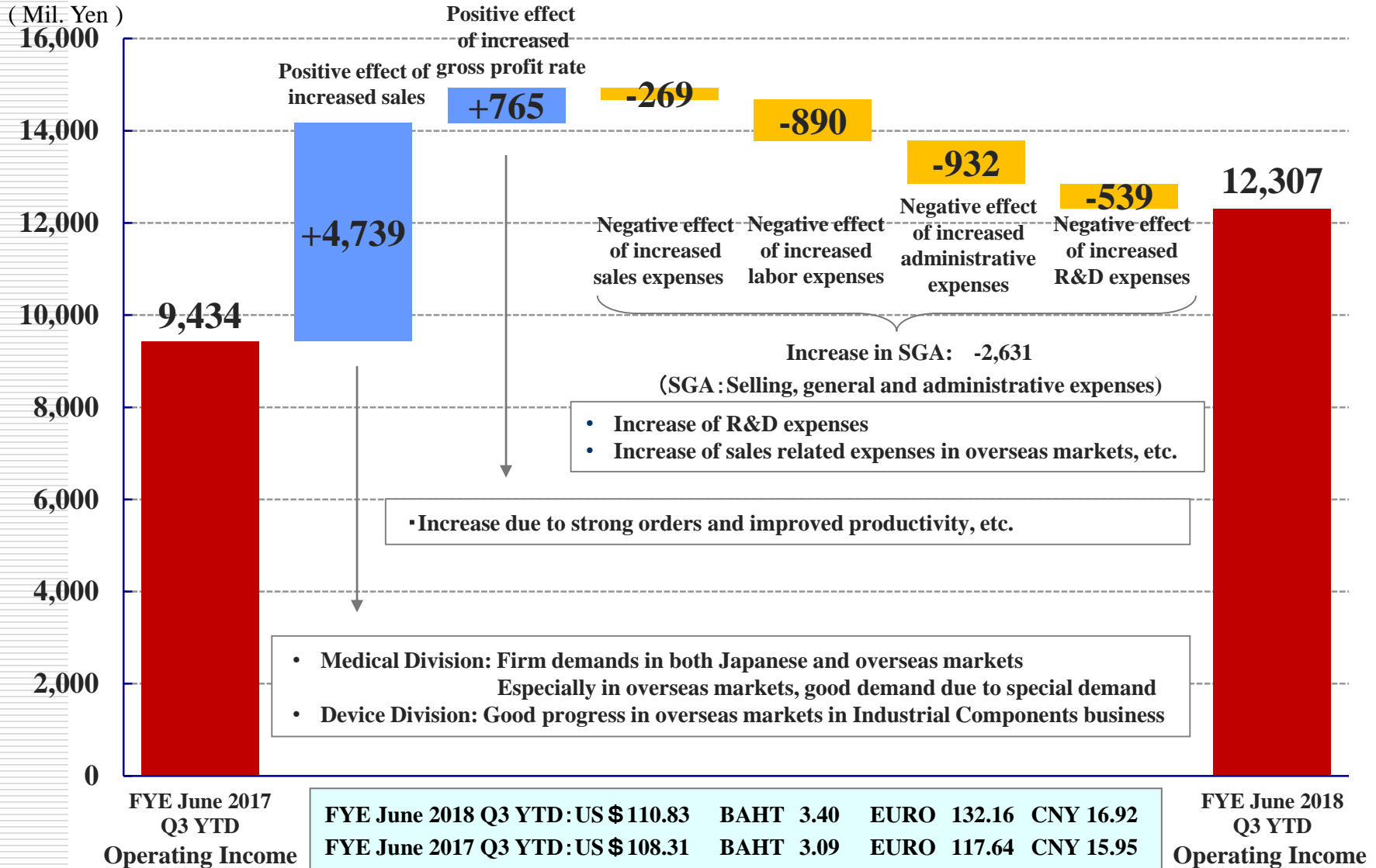


Earnings Performance by Segment Division



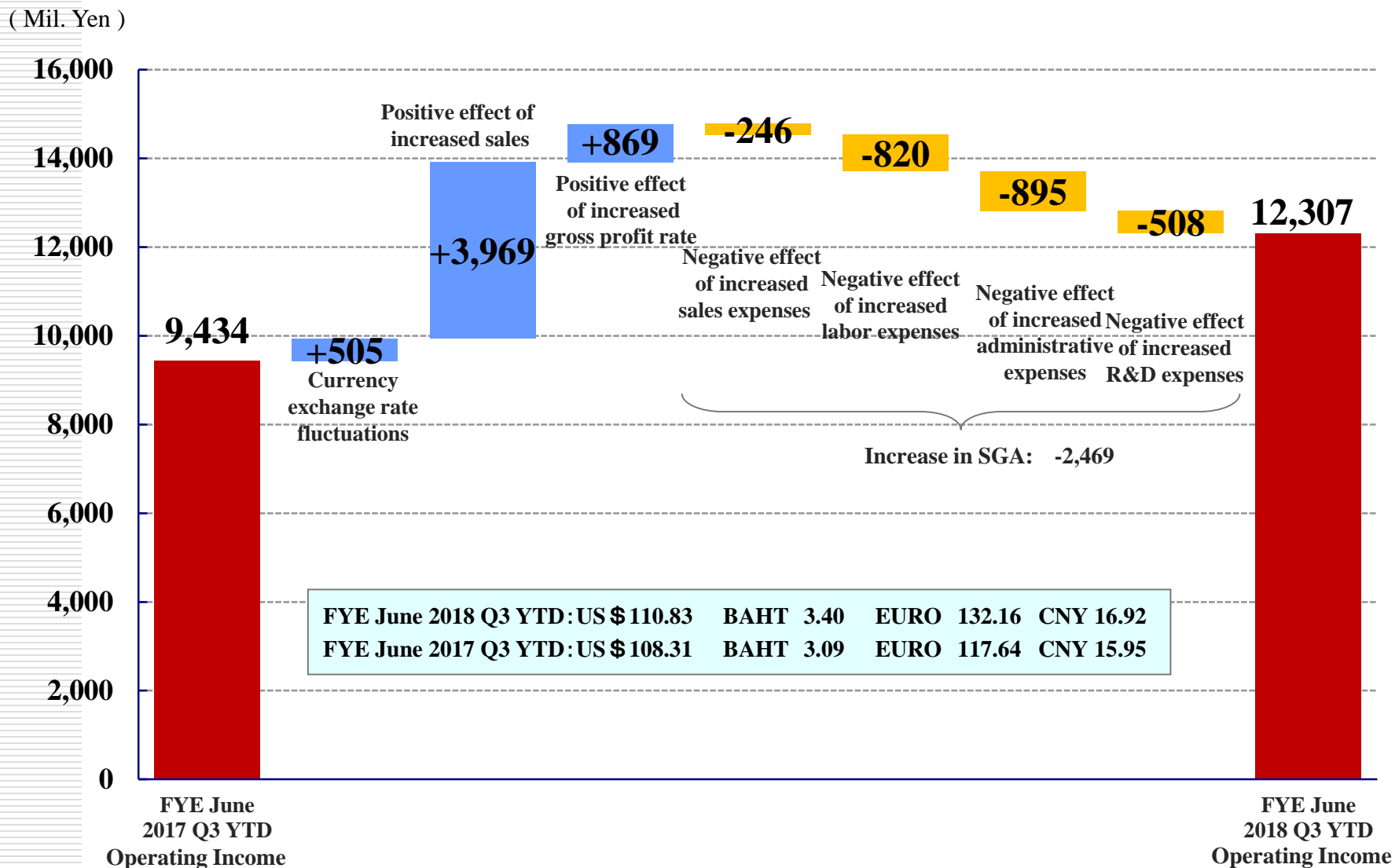


Attribution Analysis of Operating Income – 1 (Exchange Rate Fluctuations Included)





Attribution Analysis of Operating Income – 2 (Exchange Rate Fluctuations Excluded)





Situation Per Segment Division



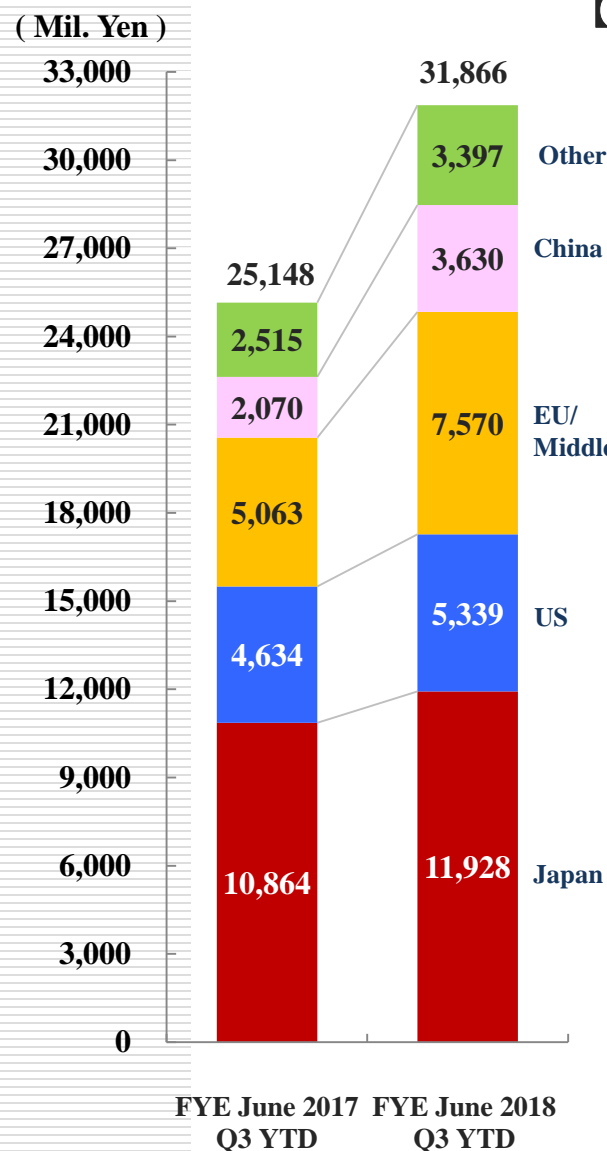
Per Segment by Medical Division (by Geography - 1)

【Net Sales (YoY)】

- **Japan: Both cardiovascular and non-cardiovascular segments favorably progressed**
 - PTCA GW: Good progress based on SION series
 - PTCA Balloon Catheters: Increase of “NC Kamui” launched in the second half of the previous fiscal year
 - Penetration Catheter: Demand increase based on multi lumen type “SASUKE”
 - Non-cardiovascular segment: Increases in Peripheral vascular, Abdominal vascular, and Neurovascular products
- **Overseas: Sales increased greatly not only due to strong end user demand but also due to special demand. In addition, positive impacts of the exchange rate contributed to sales performance.**
 - <US>
PTCA GW: Good progress due to special demand around the end of the first half
Penetration Catheter/ Peripheral Guide Wire: Increase in the direct sales
 - <EU/Middle East>
PTCA GW: Good progress due to expanding market share in addition to special demand
Penetration Catheter: Good progress based on “Corsair”
 - <China>
PTCA GW and Penetration Catheter “Corsair”: Increase due to switch to multi agent system in addition to special demand
 - <Other>
PTCA GW and Penetration Catheter “Corsair”: Good progress due to expanding market especially in Asia

【Operating Income】

- **Despite R&D and sales related expenses increasing, positive sales growth and rising gross profit ratio contributed to profit performance**





Per Segment by Medical Division (by Geography - 2)

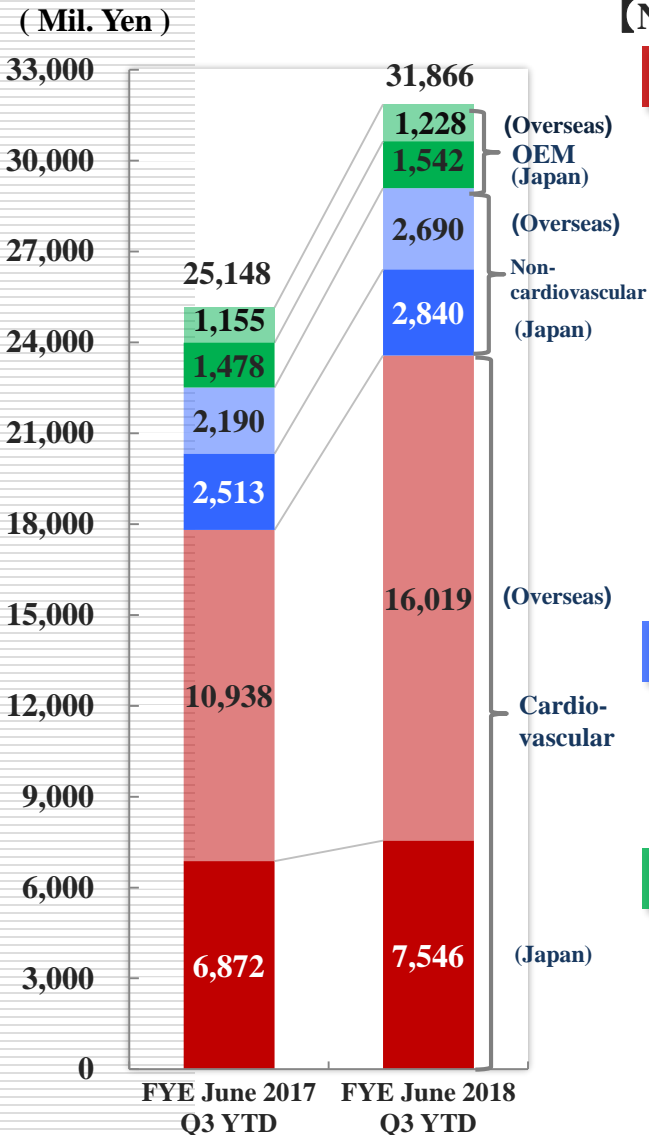
		FYE June 2017 Q3 YTD	FYE June 2018 Q3YTD	YoY	
				Changes	Changes (%)
Exchange rate(Yen)	USD	108.31	110.83	+2.52	+2.3
	EURO	117.64	132.16	+14.52	+12.3
	CNY	15.95	16.92	+0.97	+6.1
Net sales		25,148	31,866	+6,718	+26.7
Japan		10,864	11,928	+1,064	+9.8
Overseas		14,284	19,937	+5,653	+39.6
US		4,634	5,339	+704	+15.2
EU/Middle East		5,063	7,570	+2,506	+49.5
China		2,070	3,630	+1,560	+75.4
Other		2,515	3,397	+882	+35.1
Operating income		8,808	11,620	+2,812	+31.9

(Mil. Yen)



Per Segment by Medical Division (by Treatment - 1)

【Net Sales (YoY)】



Cardiovascular

- **Japan: Good progress due to new products impacts in addition to the existing products growth**
 - PTCA GW: Good progress based on SION Series
 - PTCA Balloon Catheter : : Increase of “NC Kamui” launched in the second half of the previous fiscal year
 - Penetration Catheter : Demand increase based on multi lumen type “SASUKE”
- **Overseas: Favorable progress based on PTCA GW and Penetration Catheter**
 - PTCA GW: Good progress in all areas. Special demand occurring in some areas.
 - Penetration Catheter : Good progress in all areas

Non-cardiovascular

- **Good progress in the Peripheral vascular, Abdominal vascular, and Neurovascular products both in Japan and overseas**

OEM

- **Japan: Increasing orders of gastrointestinal and peripheral wires**
- **Overseas: Increasing supply of FFR guide wire for Boston Scientific (US)**



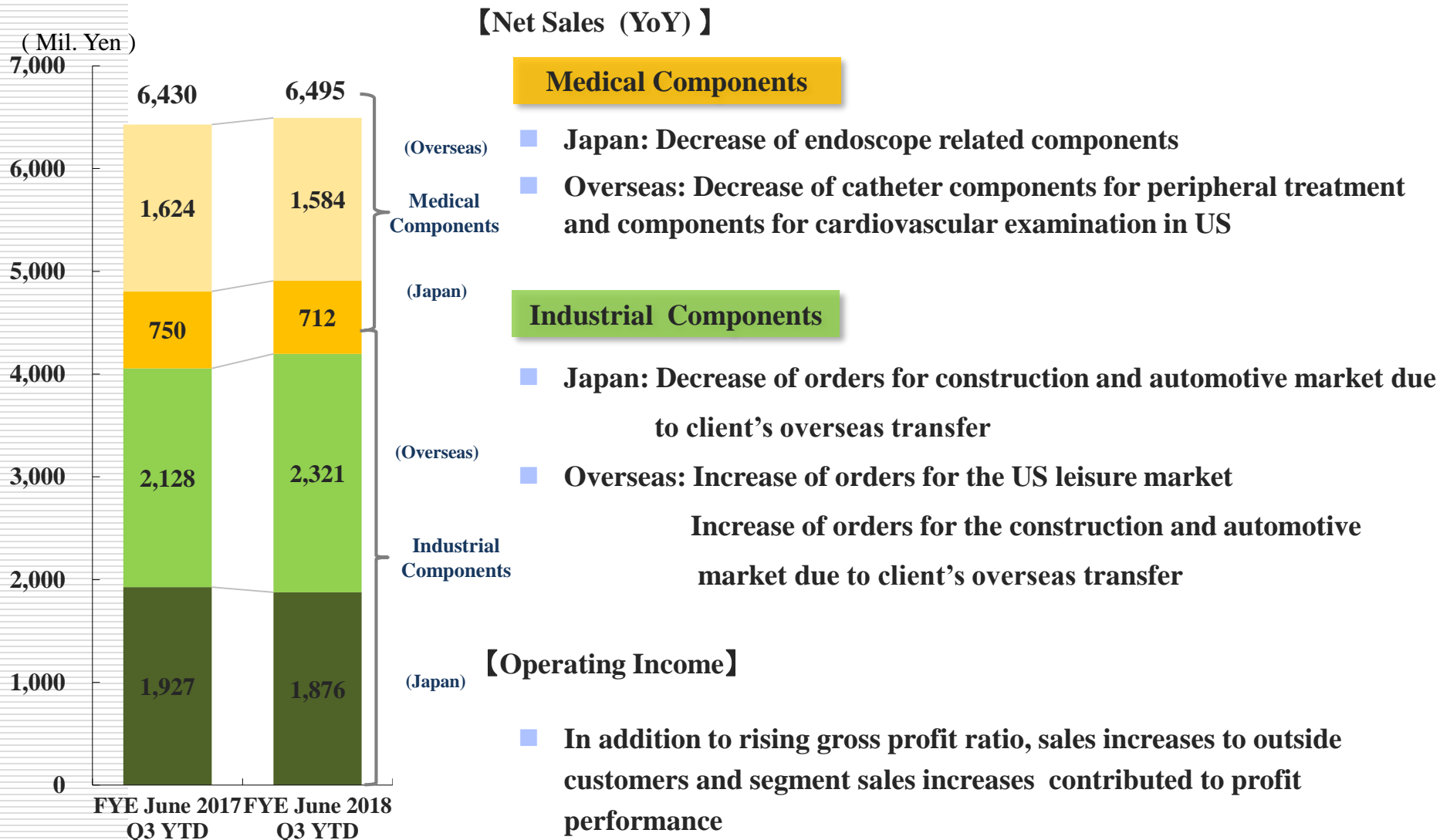
Per Segment by Medical Division (by Treatment - 2)

		FYE June 2017 Q3 YTD	FYE June 2018 Q3 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	108.31	110.83	+2.52	+2.3
	EURO	117.64	132.16	+14.52	+12.3
	CNY	15.95	16.92	+0.97	+6.1
Net sales		25,148	31,866	+6,718	+26.7
	Japan	10,864	11,928	+1,064	+9.8
	Overseas	14,284	19,937	+5,653	+39.6
Cardiovascular		17,810	23,565	+5,754	+32.3
	Japan	6,872	7,546	+673	+9.8
	Overseas	10,938	16,019	+5,080	+46.4
Non-cardiovascular		4,703	5,530	+827	+17.6
	Japan	2,513	2,840	+327	+13.0
	Overseas	2,190	2,690	+500	+22.8
OEM		2,634	2,771	+136	+5.2
	Japan	1,478	1,542	+63	+4.3
	Overseas	1,155	1,228	+72	+6.3

(Mil. Yen)



Per Segment by Device Division - 1





Per Segment by Device Division - 2

		FYE June 2017 Q3 YTD	FYE June 2018 Q3 YTD	YoY	
				Changes	Changes (%)
Exchange rate (Yen)	USD	108.31	110.83	+2.52	+2.3
Net sales		6,430	6,495	+64	+1.0
	Japan	2,677	2,589	-88	-3.3
	Overseas	3,753	3,905	+152	+4.1
Medical Components		2,374	2,297	-77	-3.3
	Japan	750	712	-37	-5.0
	Overseas	1,624	1,584	-40	-2.5
Industrial Components		4,056	4,198	+142	+3.5
	Japan	1,927	1,876	-50	-2.6
	Overseas	2,128	2,321	+192	+9.1
Operating income		2,075	2,559	+483	+23.3
(Reference) Segment Sales		1,765	2,645	+879	+49.8

(Mil. Yen)



Reference: P/L

	FYE June 2017 Q3 YTD		FYE June 2018 Q3 YTD			
	Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Net sales	31,579	100.0	38,362	100.0	+6,783	Strong performance centering on Medical division
Cost of sales	10,281	32.6	11,558	30.1	+1,277	
Gross profit	21,298	67.4	26,803	69.9	+5,505	Increase due to strong orders and improved productivity, etc.
SGA	11,864	37.6	14,496	37.8	+2,631	Increase of R&D and sales related expenses
Operating income	9,434	29.9	12,307	32.1	+2,873	
Non-operating income	324	1.0	99	0.3	-225	Decrease of currency exchange gain -218 Mil. Yen
Non-operating expense	111	0.4	165	0.4	+54	Increase of currency exchange loss +108 Mil. Yen
Ordinary income	9,647	30.6	12,240	31.9	+2,593	
Extraordinary gain	0	0.0	0	0.0	-0	
Extraordinary loss	151	0.5	8	0.0	-143	Decrease of loss on revaluation of investments in securities -147 Mil. Yen
Net income attributable to parent company shareholders	6,573	20.8	9,054	23.6	+2,480	
Comprehensive income	8,111	25.7	9,399	24.5	+1,288	Foreign currency translation adjustment decreased -1,418 Mil. Yen



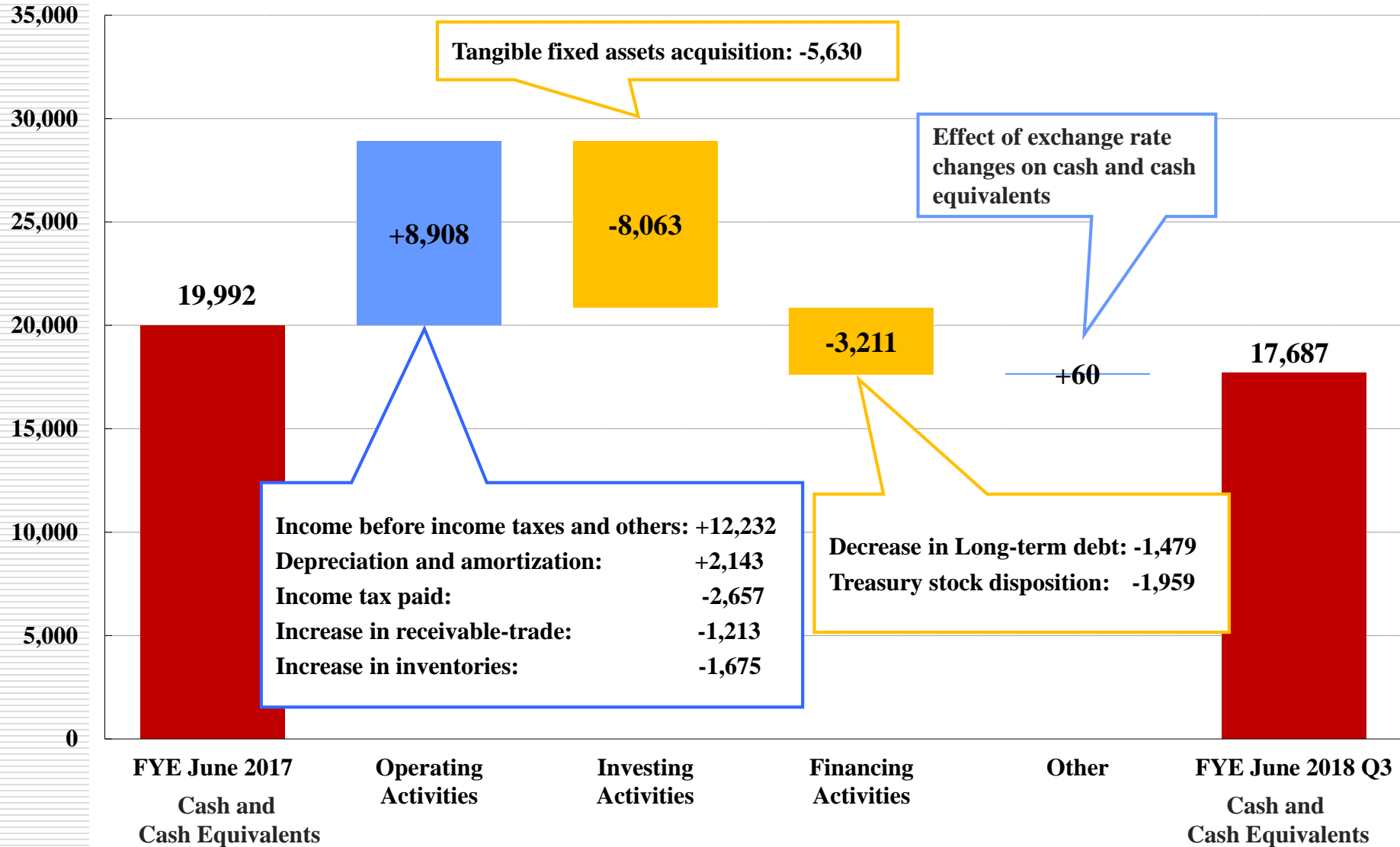
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		FYE June 2017		FYE June 2018 Q3			
		Amount (Mil. Yen)	Ratio (%)	Amount (Mil. Yen)	Ratio (%)	Changes (Mil. Yen)	Main comparison factors
Assets	Current assets	39,718	62.8	42,376	60.4	+2,658	Cash and deposit: -605 Receivable-trade: +1,151 Inventory assets: +1,692
	Fixed assets	23,528	37.2	27,770	39.6	+4,242	Tangible fixed assets: +3,449 investments and other assets: +700
Total assets		63,246	100.0	70,147	100.0	+6,900	
Liabilities	Current liabilities	12,285	19.4	10,865	15.5	-1,419	Short-term debt: -1,625
	Fixed liabilities	6,302	10.0	6,928	9.9	+626	Long-term debt: +100 Other long-term liabilities: +454
Total liabilities		18,587	29.4	17,794	25.4	-793	
Total net assets		44,659	70.6	52,353	74.6	+7,694	Retained earnings: +7,094
Total liabilities & net assets		63,246	100.0	70,147	100.0	+6,900	



Reference: C/F

(Mil. Yen)





Caution Regarding Information Presented

All forward looking statements contained herein, including sales forecasts, outlooks, and strategic plans, are based on the best currently available data; however, risk and uncertainty are involved in these statements. Please note that actual results may differ greatly from plans presented here.

【 IR contact 】

Asahi Intecc Co., Ltd. Corporate strategic office

TEL 052-768-1211

URL <http://www.asahi-intecc.co.jp/en/>